

DD/S 70-2785

27 JUL 1970

MEMORANDUM FOR: Chief, FE  
Legislative Counsel

Bill - Jack:

The DD/S's initial reaction is that the Agency should not initiate contact with the Committee/Committee staff but should be prepared to respond in the event that the Committee does decide to press any issue which could involve us.

We are prepared to discuss this subject further if either of you has a different view on what the Agency should do.

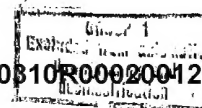


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Att

Cy of ADD/S MFR dtd 7 July 70, subj: GAO Survey  
of Refugee Programs in Vietnam and Laos, w/its Att

cc: General Counsel, w/Att ✓



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~~SECRET~~

DD/S 70-2752

7 JUL 1970

MEMORANDUM FOR THE RECORD

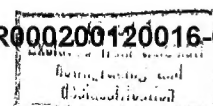
SUBJECT: GAO Survey of Refugee Programs in Vietnam and Laos

25X1 1. On 30 June 1970 Mr. Samuel Kleinbart, GAO, telephoned to say that the report on the Laos Refugee Survey had been put into final draft form and GAO, per earlier agreement, wished to have us review it. It was arranged that [ ] and I would go to the GAO office in the State Department Annex on 1 July.

25X1 2. On 1 July [ ] and I met with Mr. Kleinbart, Mr. Jenney, and Mr. Gilbert F. Stromvall, who was introduced as Mr. Louis Hunter's replacement. Mr. Kleinbart produced copies of the draft report which we read and some specific points of which we discussed. The overall report classification was Secret. Individual classification was assigned to report paragraphs with many bearing the unclassified stamp. The report was in two principal sections -- one dealing with public health and the second with all other refugee support. CIA was not mentioned by name and no specific inference pointing to CIA appeared. Reimbursement was mentioned in several places and paramilitary personnel and their dependents appeared throughout the report.

3. The report reflects some frustration that much data which is necessary to the type of accountant's approach which the GAO team would prefer to have used is not available to them -- they seem to accept that much is not available at all in Washington. There is unspoken frustration at not having been able to make the field trip which had originally been contemplated. The report states accountant's-type facts and figures and does not reflect the facts of the war in Laos and the shifting character of the war as factors affecting the personnel numbers and dollars associated with them.

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4. It would seem likely that the Committee would pick up inferences in the report of incompleting items and ask additional questions about them. For example, the report in one place specifies an increase of paramilitary dependents 19 times as large as the increase in paramilitary troops. In another place it indicates a very sharp increase in paramilitary personnel for a two-month period (March - May 1970). In yet another place the fact of extensive AID-financed medical support to paramilitary personnel and dependents is stressed. Unspecified but inferred and likely to be stated by GAO team members is a question as to the adequacy of reimbursements for non-legitimate AID refugee costs.

5. We made a few specific suggestions which seemed to be accepted. We proposed addition of "this is what was happening on the ground" during the period in question to a number of issues suggested by the report. Nonetheless, on balance, if the Committee is looking for some issues to make for additional publicity, the report can certainly furnish several. For example, prior to FY-67, we did not reimburse for cost of rice although we did pay for its transportation. Further, it is correct that we have made no reimbursement for medical treatment for paramilitary personnel and their dependents -- all of these costs have been paid for by AID funds.

6. We should consider, therefore, if we have appropriate contacts and relationships, whether we should go to the Committee staff and members to discuss this whole subject in straightforward terms from our side or to leave the initiative to the Committee and its staff. There is some reason to be concerned that the GAO team could raise real problems for us without deliberately setting out to do so.



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8. Mr. Stromvall seemed impressed with the point that a field visit would do much to explain the manner in which the whole "system" works. He inquired concerning physical security in Laos, including Vientiane, and we reassured him at least as far as Vientiane is concerned. If the field trip is ultimately made, we should reconsider our existing instructions to the field to refer to Headquarters any questions raised with them by GAO.

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25X1 9. The report as we read it was somewhat more potentially "loaded" than [ ] had been given to understand in the conversation with AID reported in his attached memorandum of 30 June 1970.

[ ]  
Assistant Deputy Director  
for Support

Att

25X1 Memo dtd 30 June 70 for ADD/S, via [ ] fr [ ]  
[ ] subj: Status of GAO Report on Senator  
Kennedy's Committee on Lao Refugees

ADD/S:JWC/ms (6 July 70)

Distribution:

- Orig - DD/S Subject, w/O of Att (DD/S 70-2697)
- 1 - Chief, FE, w/cy of Att
- 1 - General Counsel, w/cy of Att /
- 1 - Legislative Counsel, w/cy of Att
- 1 - DD/S Chrono, w/o Att

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Approved For Release 2004/08/31 : CIA-RDP72-00310R000200120016-6

30 June 1970

25X1

MEMORANDUM FOR: [ ] Assistant Deputy Director  
for Support

VIA : Chief, [ ]

25X1

SUBJECT : Status of GAO Report on Senator Kennedy's  
Committee on Lao Refugees

1. On 26 June I called Mr. Robert Thompson, AID Laos Desk, to check on the status of the GAO report to Senator Kennedy's Committee studying the Lao refugee situation. He informed me that he and Mr. McCarthy of the AID Laos Desk reviewed Mr. Joel Slotsky's report on the Lao refugees on 25 June and that Miss Mary Huntington, AID Laos Desk, had reviewed Mr. Roy Jenny's report on public health services in Laos on 25 June. He made the following observations regarding the reports: the report appears to be a summary presentation of what has been found in the Washington files regarding refugees in Laos; the report went into some detail but was more general than detailed in nature; the major criticism noted in the report was that not enough information was available in the Washington area for the GAO auditors to do a proper audit; the information available in the Washington area was incomplete and conflicting.\*

2. Mr. Slotsky stated an addition would be made to the report with details of the delays the GAO auditors experienced in talking to certain people and getting certain information. Mr. Thompson noted that a statement to this effect would indicate the GAO was receiving full cooperation in its efforts to compile the report for Senator Kennedy's committee. Mr. Slotsky noted the various items which were commented on or criticized by Mr. Thompson and Mr. McCarthy. Mr. Slotsky

\*Mr. Thompson requested that Mr. Slotsky define his terms "incomplete" and "conflicting" in his report.

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told Mr. Thompson if no significant changes were made AID would not see the report again.

3. Mr. Thompson asked Mr. Slotsky when the report would be given to CIA for review. He was advised by Mr. Slotsky the report would be sent to CIA for its review and perhaps he or Mr. Jennings would handcarry the report to CIA representatives for their review and comments. AID was not allowed to keep a copy of the report.



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